

**MINUTES**  
**BOARD OF TRUSTEES MEETING**  
Montana Historical Society, Boo MacGillvra Auditorium  
Thursday, October 18, 2007

In attendance were Montana Historical Society Board of Trustees members Sharon Lincoln, Jim Court, Tom Foor, Bill Holt, George Horse Capture, Kent Kleinkopf, Katherine Lee, Jack Lepley, Jim Murry, Lee Rostad, Crystal Shors, and Jim Utterback. Also in attendance were Peter Hasserick and Joan Troccoli, from the Denver Art Museum, MHS Director Richard Sims, MHS State Historic Preservation Officer Mark Baumler, MHS Centralized Services Manager Denise King, MHS Publications Program Manager Molly Holz, MHS Research Center Program Manager Molly Kruckenberg, MHS Interim Museum Program Manager Kirby Lambert, MHS Public Information Officer Tom Cook, Thomas O'Connell, Administrator of the Department of Administration Architecture and Engineering Division, Sheryl Olson, Deputy Director of the Department of Administration, Joe Triem of the Department of Administration Architecture and Engineering Division.

**CALL TO ORDER**

President Sharon Lincoln called the meeting to order at 9:05 a.m. Everyone present introduced themselves. Trustee George Horse Capture blessed the meeting.

**REVIEW OF MINUTES**

**Katherine Lee moved to approve the minutes from the July 20, 2007 meeting, Bill Holt seconded, all voted in favor, and the motion passed.**

**FINANCIAL REVIEW**

Denise King presented the fiscal year end report for 2007. Monthly meetings with program managers have shown the budget to be on track. Denise pointed out that the Senate art loan for \$81,000 is due in December. The Society's proceeds from the Western Rendezvous of Art event should be between \$30,000 and \$35,000 which will be applied to the Senate art loan. There will still be a shortfall. Discussion was held on where money will come from to pay the loan. Denise noted that she worked with the Governor's Budget Office and with the Department of Administration asking if the loan can be forgiven. The loan can not be forgiven. The Historical Society is obligated to pay off the loan. **Lee Rostad moved to take the money out of the Bair Trust with reimbursement coming from future Western Rendezvous of Art event profits. Kent Kleinkopf seconded the motion. Motion carried with Tom Foor voting against.**

**MEETING NOTES**

Sharon thanked staff for filling in while the Director is without an assistant for the meeting. She also announced that Shirley Groff will not be in attendance for this meeting due to hip

replacement surgery. Reports are in on attendance for the history conference and it will be well attended with 200 registered. Richard read the conference itinerary.

### **ARCHITECT'S REPORT**

Tom O'Connell discussed the results of the Capitol Complex Advisory Council meeting and noted that the vote taken was four to two, in favor of the mall location. He said it's his job to recommend a site that will fit within the intent of the Legislature and within the needs of the Historical Society. The final decision now rests with Janet Kelley, Director of the Department of Administration. At this point in time, as project administrators, Tom and Joe don't have a direction in which to go. The overall capital master plan did get approval on a 10-20 year basis with a caveat that what happens with the museum and the mall is a big factor in the overall planning. Whatever decision is made the commitment will be to do a good job for the Board. Jim Court asked Tom to discuss his recommendation to the advisory council. Tom said that during the discussion at last night's meeting the fact that didn't come to light was it was legislative intent in 2005, to look at the mall structure. What didn't get looked at was the legislative intent of \$37.5 million dollars. There are advantages to the capitol complex beyond cost that helped him come to his recommendation for the 6<sup>th</sup> and Roberts location.

Kent Klinekopf reported he wanted to address the future but also wanted to address what has been done up to this point. He commended the work which has been done after significant time and effort studying all the options and alternatives. The Board has spent untold hours and effort discussing all the possibilities. As a board member, Kent wanted it recorded that he truly values and highly respects the professional opinion and judgment presented by Tom and Joe and the firms that helped work on the recommendation. Kent stated that last evening's presentations didn't fairly focus on how much effort has gone into the process. This oversight needs to be pointed out to everyone on the advisory council. Tom assured the board that all involved want to be up front with the Legislature and stay within Legislative intent following the proper steps to serve the Board with a new museum.

Sheryl Olson noted that due to her position she has to work on both sides of the issue and wanted it made known that the department is in the listening mode. Raising money feels like a monumental task and the burden to raise this money is on the Board. We have to be careful we don't put the state at risk of owning a piece of property that can't get developed. Sheryl asked for board direction on how to proceed. Question was raised in regard to the Board being on record for asking the State to make a \$7 million dollar offer for the mall. Sheryl commented that the department wasn't clear as to the board's decision. The letter outlining the Board's decision was delivered to the Department of Administration in late January. The Board supported the effort through a consensus gathering exercise via emails and did agree unofficially to support the mall site offer. Sheryl asked for the Board to make a motion. She explained that the department understands that the Board supported the State Architect's position not to go to the mall site. A special Board meeting was held in early February and vote was taken to ask the department to make an offer for the mall site at the \$7 million dollar range and to pursue prudent alternatives.

Officially the only motion made by the Board was to encourage the department to buy the mall. Sharon pointed out that the Board does not have authority to buy a piece of property thus the Board made the motion to encourage the department to make the offer. It appeared the cart was put before the horse because the board made an offer on a piece of property when it didn't even have a design to look at. Sheryl emphasized the need to have a motion from the Board. Discussions continued on the two sites.

Jim Murry voiced concerns in regards to the mall property. One of the most important issues is whether or not there is an encumbrance in regard to Intermountain Children's Home. He doesn't want to be a part of pushing the home into an untenable position. Jim Utterback explained that Westfield Partners may give the mall back to the bank. If this happens, the bank in California owns the mall and Intermountain Children's Home is totally out of the picture. The bank will then sell the property for whatever they can get. Westfield hopes to get the bank to agree to a discount on the note and Intermountain Children's Home would get \$1 million dollars and the bank would get \$6 million dollars. There are store leases that will have to be discussed. Jim Murry asked that the department weigh the issues and keep both of the alternatives on the table until a decision is made. Crystal Shors asked for staff comment regarding how the two locations will function. Richard Sims stated that the analysis was done through the master planning process and most recently there was an all staff discussion. The feeling is we need to keep our corpus whole and entire and in one place because it is not just a museum we are expanding and developing for future services, it is all of our programs. Serious work is done here and this knowledge factory of ours is excited about the new synergy that will happen with the planning process that has resulted. We all see new ways of working together as a team to better serve the public and the visiting public. Concerns develop when a vital organ is taken out and put three blocks away because there will be operational disconnect, teamwork disconnect and more expenses.

Question was raised by John Lepley regarding if the State of Montana could afford the mall. He encouraged the Historical Society to concentrate on what is best for the future of the Society. Sharon agreed with John and commented the site across the street is absolutely cost driven and affordable. Raising \$50 or \$60 million dollars would be very difficult. Currently we have the authority to spend \$37 million dollars (\$30 million in private funds and \$7.5 in bonding funds). Sharon questioned if the Board could even spend \$50 million dollars if it were donated. John said the Board could not spend more than \$37.5 million dollars on the total project. The Board would have to get additional spending authority from the Legislature. The Board agreed that \$37 million dollars could not build a building that would take in the total operation of the Historical Society. Sharon stated it is not a good idea to split the Society's operations. Kent said that many people agree that the state has a golden opportunity to acquire the mall property and it should go forward regardless of what kind of buildings are built on that site. 1972 was the last time a study of the capitol complex was conducted. He feels this is a great buy for the state providing much needed space for growth and the price will never be cheaper.

Steve Lozar presented his observations of the meeting by pointing out that he saw historians making recommendations as to the best way to present Montana history and business folks talking about the board raising an additional \$30 million dollars.

John Lepley said if the State of Montana needs the property for the capitol complex it should purchase the property and let the Historical Society purchase what we can afford.

Lee Rostad voiced concern for future expansion if the Society builds across the street. The mall site property provides adequate building sites for the future. We must get away from negative thinking about the difficulty of raising money. We can raise the money. Lee said 200 thousand square feet is needed now to adequately exhibit what we have and we are only adding 55 thousand feet with this new addition. People don't want to donate now because we are currently viewed as the largest store house in the state. Once we start building, the donations will come in because there will be an opportunity to display the pieces.

Tom O'Connell addressed the expansion issue by saying it makes sense for the Historical Society to have the mall site because it's available. He then presented the proposed 10-20 year capitol complex master plan showing there is also room for expansion in Phase I and there is additional room to go across the lot to the East. The parking garage would accommodate the parking issues. Tom said there are two phases of expansion. The existing building will be used plus the 55 thousand square feet that will be built. Joe pointed out that all three blocks are less than 10 acres of property. The mall site is 13.4 with the purchase of the Bison Engineering building. Over the years there have been three studies conducted on proposed building sites for the Historical Society. The highest rated site by the consultants was the site across the street.

Questions were raised by Jim Murry regarding where the turning point may be if the Society is unable to secure the needed funding. Sheryl said it is important to gage what Legislative support the Board thinks they have. There are hundreds of state employees in leased space paying dramatically more than state owned space because the Legislature has not funded a new building on the capital complex since 1983. We all share the passion because we all want to see a museum but we don't know if the Legislature will step up and help with the fund raising. Tom O'Connell said nothing will happen if the Board doesn't raise the money. Let's take the scenario and play it out as the motion went last night. Offer is made for the mall at \$7 million dollars, the mall is purchased, and the mall becomes state property. That will take \$7 million dollars of our \$37.5 away. We can't demolish the mall and we can't do anything with it unless there is a lot of private money raised to help us. Typically an agreement is drawn up with an agency on a project where there is state money and private money raised. A contract for construction is not drawn up until the money is in place. The money needs to be in hand to pay for the contractor bills on a monthly basis. There will be no action taken until a large enough chunk of money is raised in order to phase the project in and start construction.

Jim Utterback stated the Board wasn't put together to raise money. In considering the mall site there is support of boards that have deep pockets. Raising \$30 million dollars for the site across the street would be just as hard as raising \$60 million dollars with everybody behind us. Support from half the foundation board and the support of a lot of businesses in Helena will be lost if the mall site isn't chosen. He doesn't want the Board to be responsible for raising this money.

Jim Murry suggested that both sites be kept in play by not making a motion. He said the Board can't afford to split the community. A motion could be made at a later date. Sheryl agreed that we must be united in order to have a chance for fund raising.

Richard emphasized incremental growth. When fund raising is launched there must be realistic incremental growth to show the public that progress is happening. Sharon voiced concern in regards to who will be paying for the mall site during the time it takes to get a gallery up and running. It will be a burden on the taxpayers to deal with daily care of the mall buildings. Tom stated that assuming the proposal for the mall is accepted it will take a number of months, maybe years, for all leases to be negotiated. It becomes a state responsibility. Tom's suggestion would be to wipe the site clean of buildings so preparation can be made for construction.

George Horse Capture stated the Capitol Complex site is museum oriented and the mall site is community oriented. He noted the mall site is surrounded by pollution which is not good for a museum. The Capitol Complex site is quiet, out of the way and close to the capitol. The Board must decide firmly which site it prefers, present the decision, and step back. When the site decision is made the Board must support it and make it the best in the country.

Jim Utterback questioned Richard in regard to discussions being held about what is best for staff, the museum and the Board when looking at incrementalism. Richard said chaos would be minimal if the site across the street were chosen. The \$7 million dollars could go immediately to bricks and mortar and when that building is ready a move could be phased in for staff occupancy. Raising just another \$5 million, a building could go up for \$12 million right across the street. Incremental growth is not easy if there is a move to the mall site because it will take millions more to build. The state budget director is also concerned about incremental growth and being able to afford to live in the dream house once it is built. Staff has worked on budget projections for 10 years of living in a new building and at least 25% more staff will be needed. If that direction is chosen, requests will have to be prepared now for the 2009 Legislature for five to seven more FTE's. It's hard to get operational funding from the Legislature for a small state agency.

**Presentation as an Introduction to the Idea of a Loan Request – Formal Request will be Coming - Gilcrease Museum, Tulsa & Denver Art Museum - Peter Hasserick and Jennifer Bottomly-O'looney**

A major traveling exhibition devoted to the life and works of Charles M. Russell is being planned jointly by the Gilcrease Museum in Tulsa, Oklahoma, and the Denver Art Museum (DAM). The exhibit covers Russell's entire career and is tentatively scheduled to begin in 2009. It will travel to two additional museums besides Denver and Tulsa. The Gene Autry Museum has already committed to hosting the show and negotiations are still under way for a Washington, D.C. area venue. The loan period would be from late July or the 1<sup>st</sup> of August, 2009, for about nine months. She requested the following four paintings: *Caught in the Act*, *No Chance to Arbitrate*, *The Indian Hunters Return*, and *When the Land Belonged to God*. In exchange she presented some of the best oil paintings in Gilcrease's collection. The paintings

are as follows: *Running Buffalo, Pay Dirt, Wagon Boss, Guns With Their Passports, Dirt Dam, and Watching for Wagons*. There are other items in the collection you may want to request. Richard Sims stated this proposal will be brought up at a future Board meeting for formal consideration.

### **PUBLIC COMMENT**

There was no public comment.

### **PUBLICATIONS MANAGER REPORT**

Molly Holz presented the fall magazine and brought attention to the article by Warren McGee. Just released is the "Guide to Historic Bozeman". She attended the Western History Association in Oklahoma City. The Association uses Montana as a membership incentive and \$44,000 a year comes directly in from magazine operations. Work continues on the winter magazine.

### **RESEARCH CENTER PROGRAM REPORT**

Molly Kruckenberg presented the deaccession list explaining that this list is a bit different from the normal deaccession because there are 143 items. All are duplicate materials and in most cases we already have two or three copies in our collection. Rather than being sent out for bid we will trade with dealers for collections to add to our collections. Once this deaccession is passed by the Board this material will go to a dealer in trade for a significant collection of several hundred letters to and from Jeanette Rankin. **William Holt moved to approve the deaccession, Lee Rostad seconded, all voted in favor, and the motion passed unanimously.**

Molly reported that staff from the Research Center has been working very closely with the reference staff at the Lewis and Clark County Public Library to create a bibliography of Helena history topics. Middle school grade level students are being highlighted. Jointly the staffs have created an on-line web site of the bibliography of resources available both at the Lewis and Clark County Public Library and at the Montana Historical Society so the students can be more prepared when they come in to do research. The project has been a great outreach pull. They hope to expand the student based resource project beyond Helena and beyond Lewis and Clark County and make historic topics available in all the counties in Montana.

A small grant from the National Endowment of Humanities allowed for a map conservator to visit in July to make an assessment of the Society's map collection. The Research Center has well over 7,000 historic maps of Montana. Some are original manuscript maps and some are published. The collection is incredible; however, the collection is in poor shape. The storage conditions are poor. The conservator gave many recommendations for preserving the collection until suitable storage area is created. Additional grant funding will be pursued for conservation and better storage for the collection in the future.

### **STATE HISTORIC PRESERVATION OFFICE PROGRAM REPORT**

Mark Baumler thanked Kathy Lee for being such a good hostess to the review board and the staff in Glendive. Kathy provided meeting space and rooms at her Bed and Breakfast. Her Bed and Breakfast is listed in the National Register. Mark reminded all trustees that their attendance is welcome at the review board meetings. The next review meeting will be in December or January. He highlighted their efforts in using the grant from the "Preserve America" program. A certified local government list was provided naming the "Preserve America" communities and an announcement was made of the availability of \$65,000 in matching grants. The funds will be available for "Preserve America" communities to apply for heritage preservation training initiatives. It is a two-year grant. A state wide press release was sent.

### **OUTREACH AND INTERPRETATION PROGRAM**

Richard introduced the new program manager, Kirby Lambert. In the field of education, we automatically think of schools and school kids which are but one important part of this program. There are also statewide outreach programs, a sign program and text books. In November, the first six chapters of the new textbook will be sent to the designer. He announced that the Thursday night programs have increasingly been getting more popular. Ellen Baumler's ghost stories this week hit an all time record with 130 people in attendance.

### **Museum Loan Request**

Kirby reported that the Secretary of State Office is not one of the offices in the capitol that is automatically approved to borrow paintings. Secretary of State, Brad Johnson is requesting to borrow a water color painting of a tipi camp, an untitled piece, for his office. **Jim Utterback moved to approve the loan, Katherine Lee seconded the motion, all voted in favor, and the motion carried.**

### **2007 LEGISLATIVE REQUIREMENT**

Denise King reported that during previous Legislative sessions agencies were encouraged to set goals and objectives. On the State website each program has listed their goals, objectives and outcomes. Again, this last session the Legislature renewed their interest in this exercise. Meetings have taken place with the Legislative division and the budget office to form chief goals and outcomes to report to the Legislative Finance Committee. The goal and objective that has been approved by the Legislative Finance Committee for the Montana Historical Society is to reserve and make publically accessible the heritage resources of the State of Montana. Each program will have a measured outcome that will be reported on to the Legislative Finance Committee. Our first report will be due in December, 2007.

### **Museum Store**

Denise presented the new in house publication *Mercantile News* printed by Sherry Jonckheere, newly hired Museum Store Manager. She also mentioned that Gordon Defendorf, has been rehired to work in the Museum Store as a clerk. She encouraged Board members to view all the new merchandise and the many “made in Montana” products.

#### Human Resources

Denise reported the union contracts have been signed with a two year renewal date. Spending of the \$100,000 funds received from the Legislature is progressing. The membership program now has new software and training. The museum’s portion of the funds installed new technology. Tom Cook’s publication *The Montana Star* will be hitting the press this fall. SHPO will be sending their money to the communities. New computers for the Society have been purchased. Negotiations have taken place with the Legislative Finance Department and the Department of Revenue to house their older computers which gives all of the staff an upgraded computer or at least a different computer.

#### Museum Manager Report

Richard asked Kirby Lambert to report on the current hiring process and introduce his new curators. Kirby announced that Jennifer Bottomly-O’looney is the new Curator of Collections. On October 29<sup>th</sup> George Oberst will become the half time Curator of Ethnology. Amanda Steeter Trum will be the Collections Manager. The Legislature gave the Society 1.8 FTE for assistant registrars and newly hired for these positions will be Kendra Derrer and Rowena Harrington. Richard reported the search for the new museum manager has been narrowed to four applicants. George Horse Capture has agreed to sit on the hiring committee. The four individuals come from Louisiana, North Dakota, Oregon and New Mexico.

#### DIRECTOR’S REPORT

##### Indian Education for All

Richard reported the new partnership with the Office of Public Instruction and the Indian Education for All Program continues to solidify. Completion is near on the first draft report for the co-managed grant project. Funding will be available for museums around the state to improve their work with Indian communities and with their Indian materials. He hopes to see this become an annual grant program and partnership.

##### Montana Heritage Commission

Due to his position, Richard is on the Montana Heritage Commission which is in the process of conducting a master planning exercise for Virginia City. Architect firms are being interviewed to conduct a long over due master planning exercise for Virginia City. He announced that Paul Reichert is the new permanent Director of the Montana Heritage Commission. Paul spoke recently on urban planning in a sensitive way. The idea is to look at Virginia City as a



community based heritage site understanding how heritage resources are managed in a real place where real people live.

Last year after the history conference Richard said he took off on a road trip to get acquainted with folks and he is scheduling another road trip the week before the Thanksgiving holiday. He will be visiting museums he started work with last year. He will carry the message to the communities that we are here to serve them. No matter where our new facility it built, it is not a selfish endeavor, we will serve them even better out of the new facility. He will solicit support state wide. Tom Foor commented on the importance of meeting with statewide communities and then going back to reinforce what has been started. Sharon emphasized that museums in the past have felt left out and they want to make a connection with the Montana Historical Society.

### **PRESIDENT'S REPORT**

Sharon asked Tom Foor to head the director's evaluation committee. Tom and Richard will get together to set up a mutual plan for his evaluation.

### **UNFINISHED BUSINESS/NEW BUSINESS**

Richard encouraged everyone to attend the history conference. Sharon said Tom Foor and Lee Rostad would be the award presenters at the history conference dinner.

### **ADJOURN**

**Lee Katherine moved to adjourn the meeting, Kent Kleinkopf seconded, all voted in favor, and the meeting adjourned at 1:50 p.m.**